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1H24 Results Presentation

For the half-year ended 31 December 2023

23 February 2024



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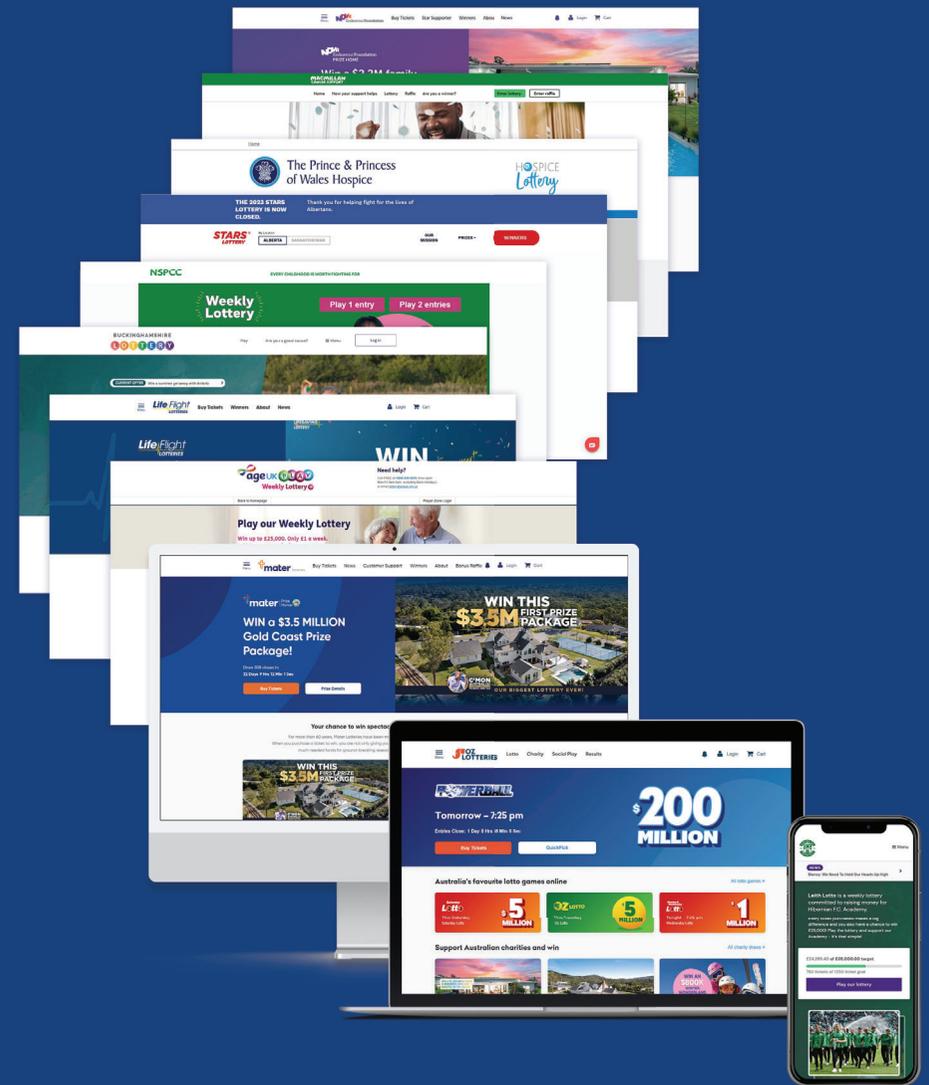


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Business update



Mike Veverka
CEO and Founder



1H24 key highlights

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Lottery Retailing

- Improved revenue margin due to pricing and product portfolio changes
- Record \$90m OzLotto
- Robust underlying player health metrics
- Record TTV from non-TLC products



SaaS

- +16% TTV growth driven by Mater and Lotterywest
- Extended Lotterywest software license agreement for four years
- +18% Lotterywest TTV growth underpinned by joint marketing initiative



Managed Services

- Record Gatherwell weekly ticket sales in 1H24
- New leadership – Stride president appointed in December 23
- Ontario regulatory approval
- Record StarVale ticket sales in December 2023



Capability

- Continued investment in automation and data analytics
- Uplift in internal control environment
- Jumbo University established
- Group wide leadership program established



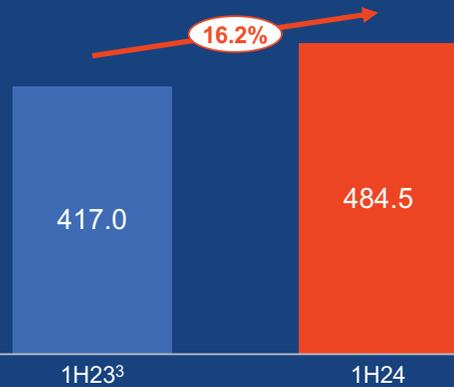
Balance sheet

- Strong balance sheet and flexibility to support growth
- Fully franked interim ordinary dividend of 27 cents per share, up 17% on pcp
- On-market share buyback¹ - \$3.2m shares purchased as at 31 December 2023

1. On-market share buy-back of up to \$25m conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased has and continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the share buy-back program at any time. As at 31 December 2023, \$3.2m shares have been purchased at an average price of \$12.74.

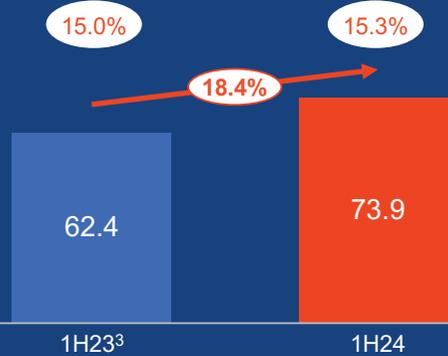
1H24 Group result overview

TTV (\$m)



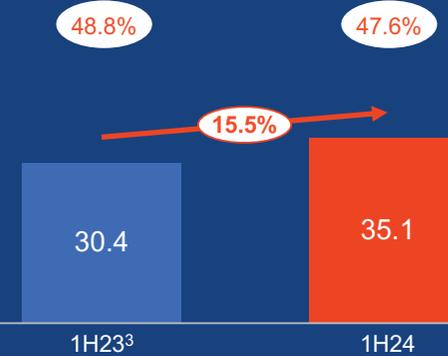
Revenue (\$m)

Revenue margin



Underlying EBITDA¹ (\$m)

Underlying EBITDA margin



Underlying NPATA^{1,2} (\$m)

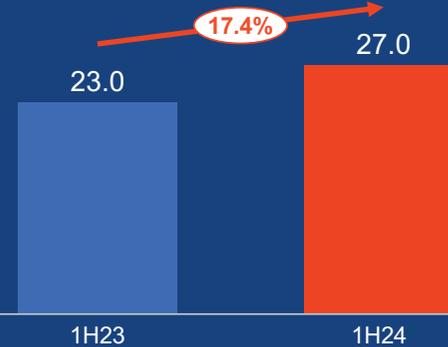
Underlying EPSA² (cps)



Free cash flow⁴ (\$m)



Dividend declared (cps)



1. Reported EBITDA adjusted for one-off items of \$73k in 1H24 (1H23: \$275k) and Reported NPATA adjusted for one-off items of \$261k in 1H24 (1H23: \$240k) respectively – see Appendix for further detail.
 2. Net Profit After Tax / Earnings Per Share before amortisation of acquired intangible assets.
 3. 1H23 includes a 2-month contribution from StarVale (completed 1 November 2022) (TTV: \$22.1m, Revenue \$2.0m and EBITDA \$0.7m).
 4. Operating cashflow less capex (excluding StarVale and Stride consideration).

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Lottery Retailing

- Australian sales of digital lottery tickets up to 39.6% (1H23: 38.4%)
- 28 large jackpots (Oz Lotto/Powerball ≥ \$15m) (1H23: 23 jackpots)
- Average value per large jackpot down 14.4% to \$35.7m (1H23: \$41.7m)

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% of AUS lottery sales through the online channel¹



Aggregate Division 1 Jackpots² (\$m)



1. Source: The Lottery Corporation Limited.
2. Oz Lotto/Powerball jackpots.

Lottery Retailing

- 167,657 new players for the six months ended 31 December 2023, down 16% vs pcp (1H23 : 198,751)
- \$16.77 cost per lead for the six months ended 31 December 2023, down 6% vs pcp (1H23: \$17.85)
- 887,182 active players for the 12-month period ended 31 December 2023, down 10% vs pcp (1H23: 983,831)
- \$480.63 average spend per online active player for the 12-month period ended 31 December 2023, up 4% (1H23: \$463.20)

Oz Lotteries Moving Annual Total (MAT)¹ TTV – by Fiscal Quarter



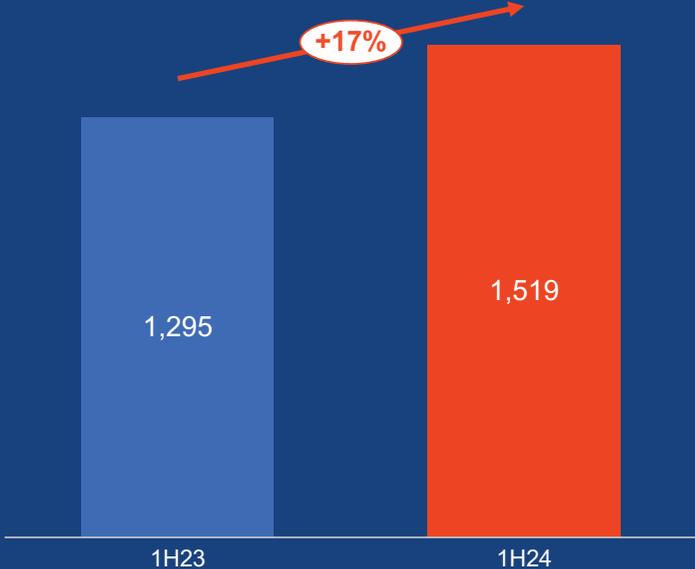
1. Excludes contribution from Western Australia customers transitioned to SaaS (effective 21 December 2020).

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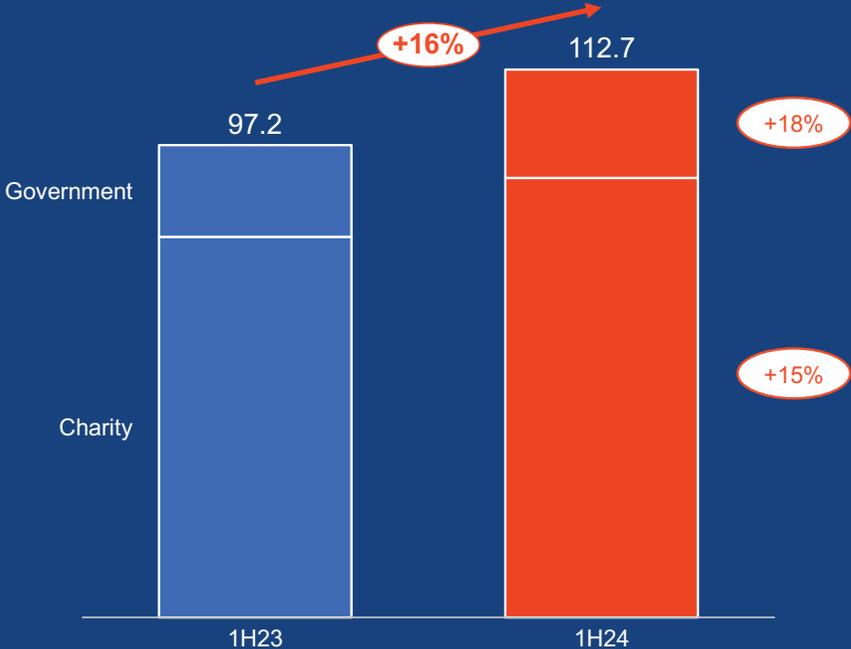
Software-as-a-Service (SaaS)

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Active players ('000)



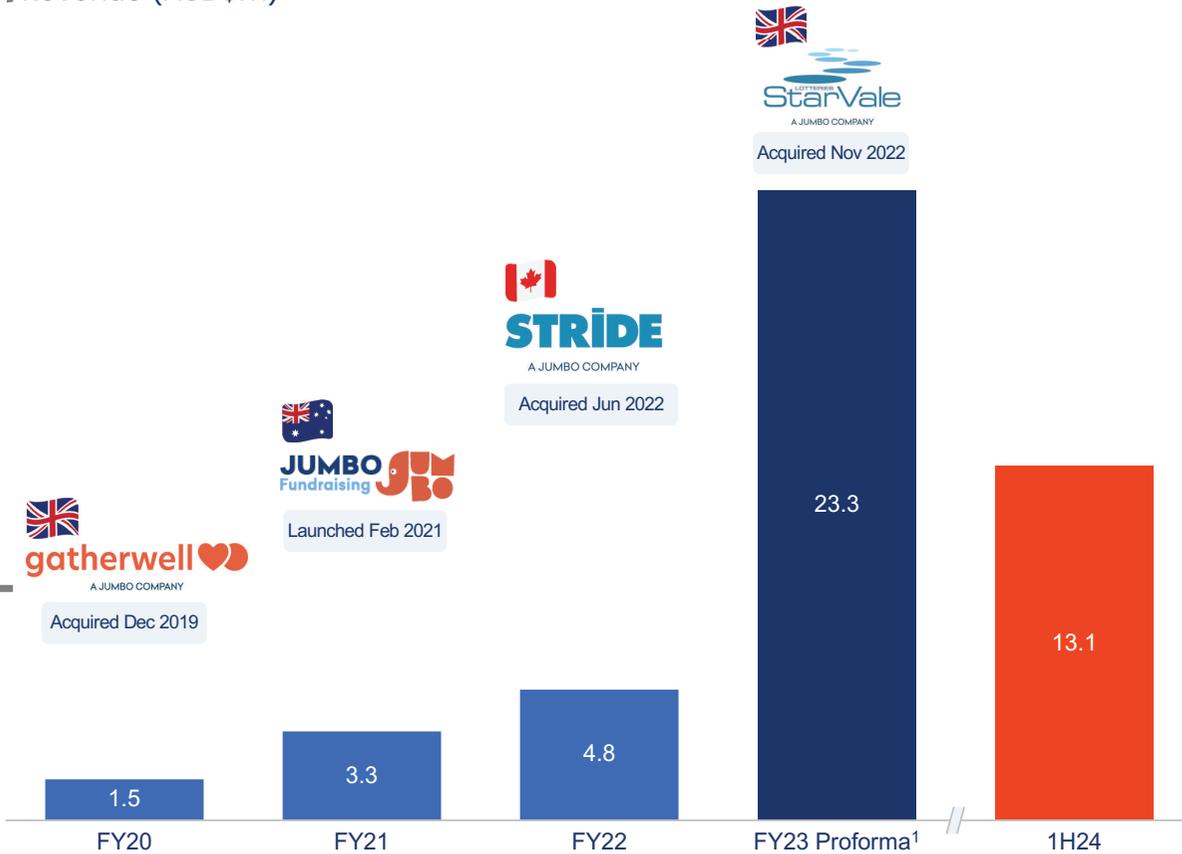
TTV (\$m)



Managed Services

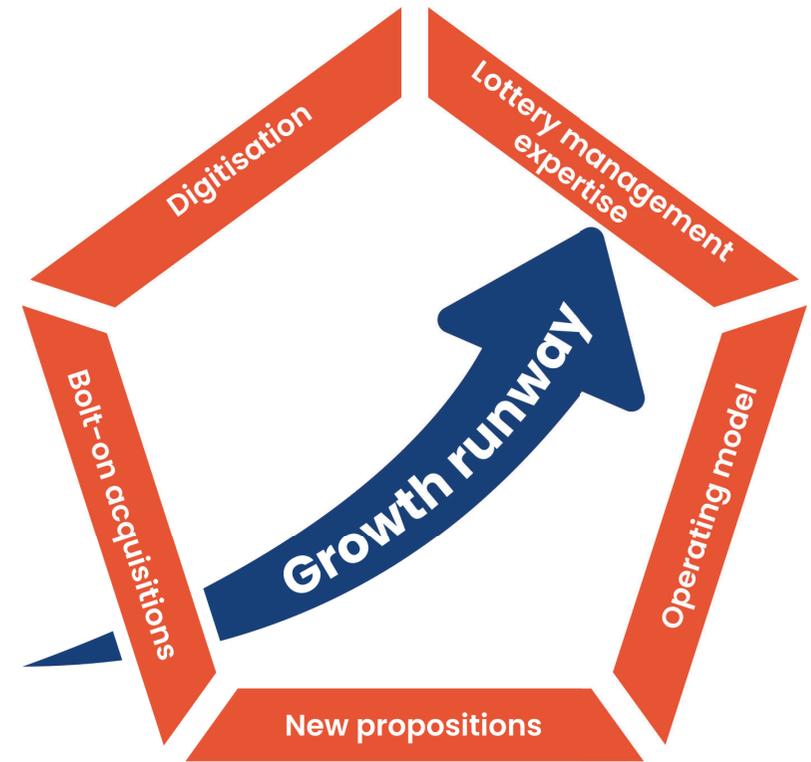
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Emerging Managed Services segment
Revenue (AUD\$m)



1. Assumes 12-month contribution from StarVale which completed on 1 November 2022.

Significant long term growth opportunity



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Financial results



Jatin Khosla
CFO

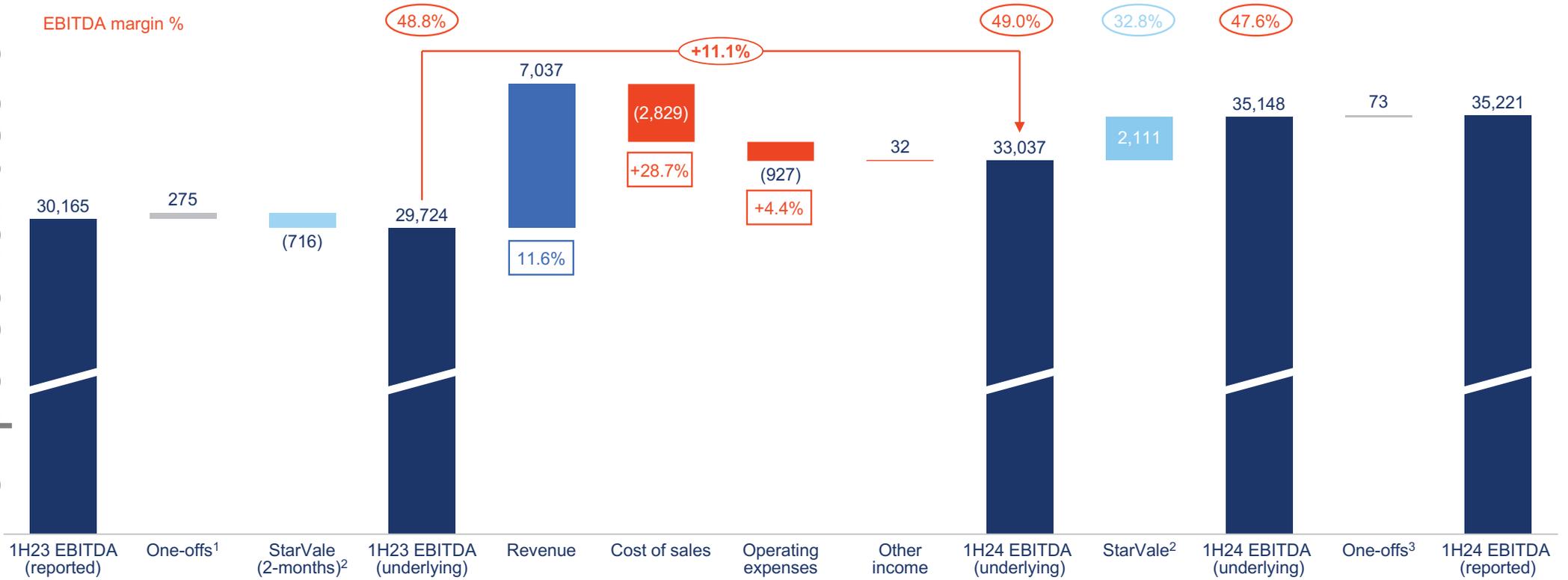


Underlying EBITDA

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Underlying EBITDA 1H24 vs 1H23 (\$'000)

EBITDA margin %



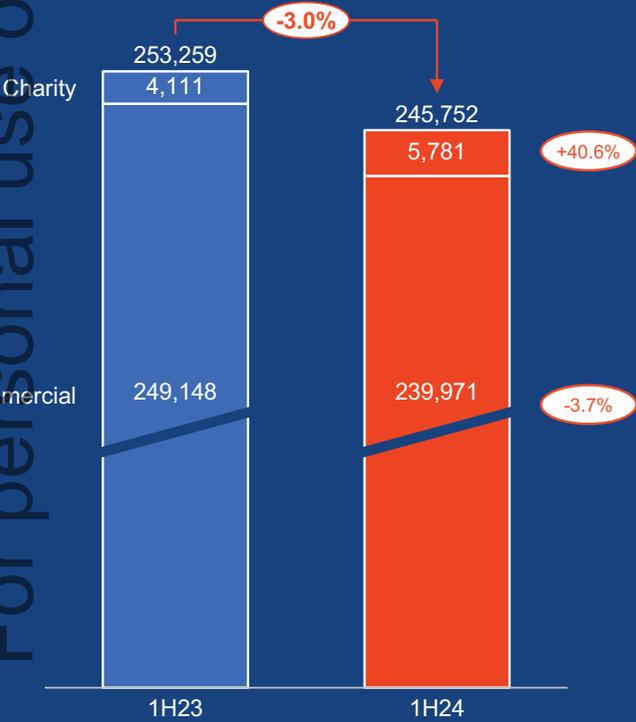
1. Includes \$154k of acquisition expenses related to the acquisition of Stride, \$89k Fair Value movement on financial liabilities relating to the Stride earnout and \$32k investment disposal costs related to the sale of Intellitron Pty Ltd.

2. Includes a 2-month contribution from StarVale (completed on 1 November 2022) in 1H23 and a full 6-month contribution in 1H24.

3. Includes one-off consulting and legal expenses (\$410k), one-off retention payments to Stride staff (\$109k) and other one-off items (including fair value gain on financial liabilities related to the Stride and StarVale earnouts (\$725k) and one-off costs associated with an uplift in the internal control environment in Group Finance (\$133k)).

Lottery Retailing

TTV (\$'000)



Revenue (\$'000)

Revenue margin %

19.8% 22.7%

+11.5%

50,103 55,868

1H23 1H24

EBITDA (\$'000)

EBITDA margin %

30.6%

36.7%

+33.7%

15,321

20,490

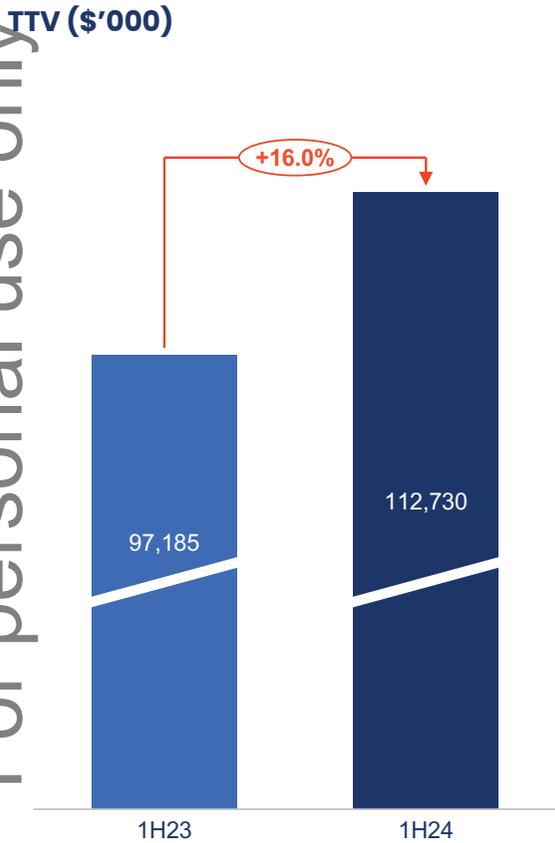
1H23

1H24

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Software-as-a-Service (SaaS)

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1. Lottery Retailing pays a licence fee (equivalent to 7.5% of relevant Lottery Retailing TTV) to SaaS, recognised in Lottery Retailing cost of sales and SaaS' internal revenue.

Managed Services

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AUD¹

	United Kingdom				Canada		Australia		Group	
	Gatherwell		StarVale ²		Stride		Jumbo Fundraising ³		Managed Services	
	1H24 \$'000	1H23 \$'000	1H24 \$'000	1H23 \$'000	1H24 \$'000	1H23 \$'000	1H24 \$'000	1H23 \$'000	1H24 \$'000	1H23 \$'000
TTV	12,334	10,248	67,628	22,057	45,472	33,721	566	395	126,000	66,601
Revenue	2,279	2,036	6,427	1,969	4,246	3,898	102	47	13,054	7,950
Cost of sales	(229)	(219)	-	-	(1,484)	(275)	(23)	(5)	(1,736)	(499)
Gross profit	2,050	1,817	6,427	1,969	2,762	3,623	79	42	11,318	7,451
Operating expenses	(1,472)	(1,394)	(4,316)	(1,253)	(2,266)	(2,056)	(108)	(84)	(8,162)	(4,787)
EBITDA	578	423	2,111	716	496	1,589⁴	(29)	(42)	3,156	2,686⁴
Revenue margin %	18.5%	19.5%	9.5%	8.9%	9.3%	11.6%	18.0%	11.9%	10.4%	11.9%
EBITDA margin %	25.4%	20.8%	32.8%	36.4%	11.7%	40.8%	-28.4%	-89.4%	24.2%	33.8%

1. Based on average exchange rate of A\$1.00 = C\$0.8825 and £0.5205 for 1H24.

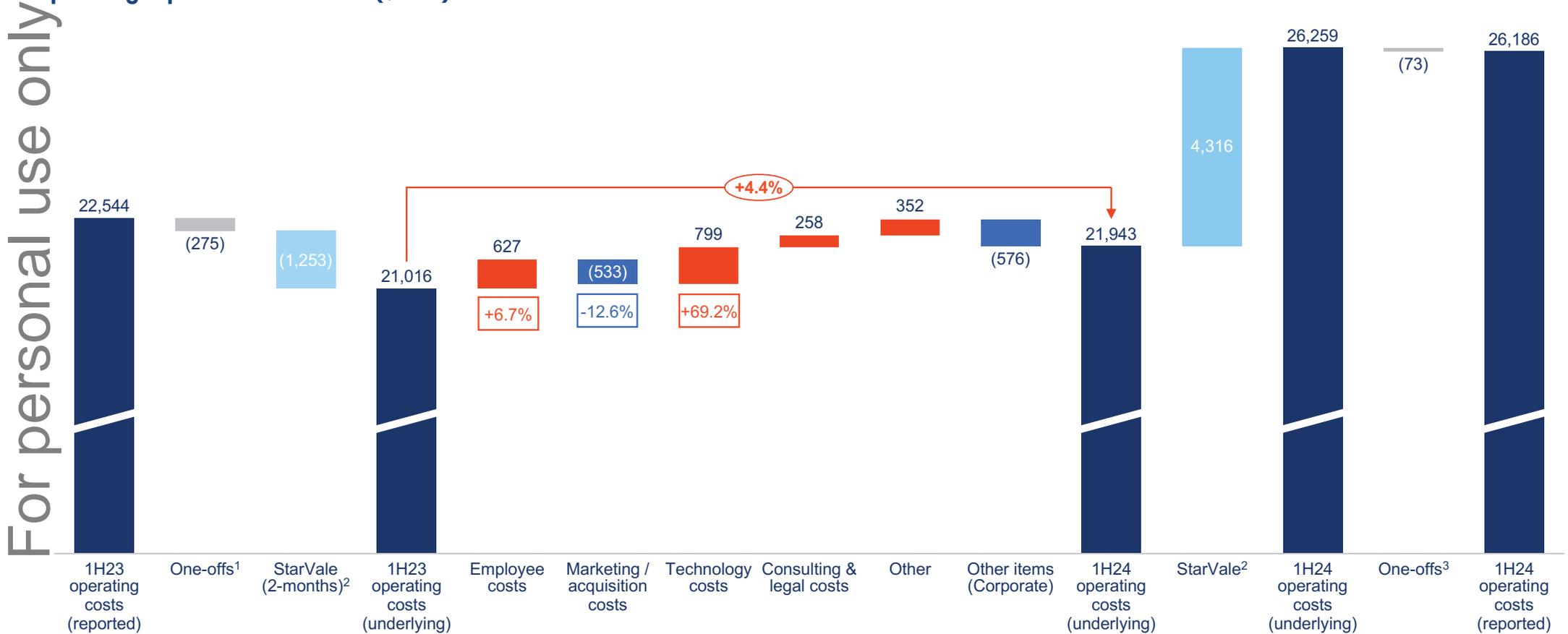
2. Includes a 2-month contribution from StarVale (completed on 1 November 2022) in 1H23 and a full 6-month contribution in 1H24.

3. Includes contribution from LifeFlight Australia and Paralympics.

4. Includes \$22k of other income.

Disciplined cost management

Operating expenses 1H24 vs 1H23 (\$'000)



1. Includes consulting and legal fees associated with the acquisition of StarVale (\$154k), Fair Value movement on financial liabilities related to Stride (\$89k) and Investment disposal costs related to the sale of Intellitron Pty Ltd (\$32k).

2. Includes a 2-month contribution from StarVale (completed on 1 November 2022) in 1H23 and a full 6-month contribution in 1H24.

3. Includes one-off consulting and legal expenses (\$410k), one-off retention payments to Stride staff (\$109k) and other one-off items (including fair value gain on financial liabilities related to the Stride and StarVale earnouts (\$725k) and one-off costs associated with an uplift in the internal control environment in Group Finance (\$133k)).

Balance sheet strength

- Strong balance sheet as at 31 December 2023 with a cash balance¹ of \$60.5m (FY23: \$41.2m)
- \$45.5m of undrawn debt capacity as at 31 December 2023
- FY24 interim ordinary dividend of 27.0cps reflects a full year payout ratio of 84.3% of statutory NPAT, at the top end of the targeted 65% to 85% dividend payout ratio range
 - Record date: 1 March 2024
 - Payment date: 15 March 2024
- The Board continuously reviews and assesses Jumbo's capital management framework
- Disciplined approach to execution of on-market share buy-back³ (\$3.2m completed as at 31 December 2023)

	31 Dec 2023 \$'000	Restated ² 30 Jun 2023 \$'000	30 Jun 2023 \$'000
Cash	72,981	53,190	53,190
Other current assets	18,748	16,486	16,486
Non-current assets	84,069	87,142	86,146
Total assets	175,798	156,818	155,822
Current liabilities	57,189	43,545	43,545
Non-current liabilities	11,291	13,284	12,288
Total liabilities	68,480	56,829	55,833
Net assets/equity	107,318	99,989	99,989

1. Excluding customer account balances of \$12.5m (FY23: \$12.0m).

2. Restated balances relate to the finalisation of acquisition accounting for StarVale (completed on 1 November 2022).

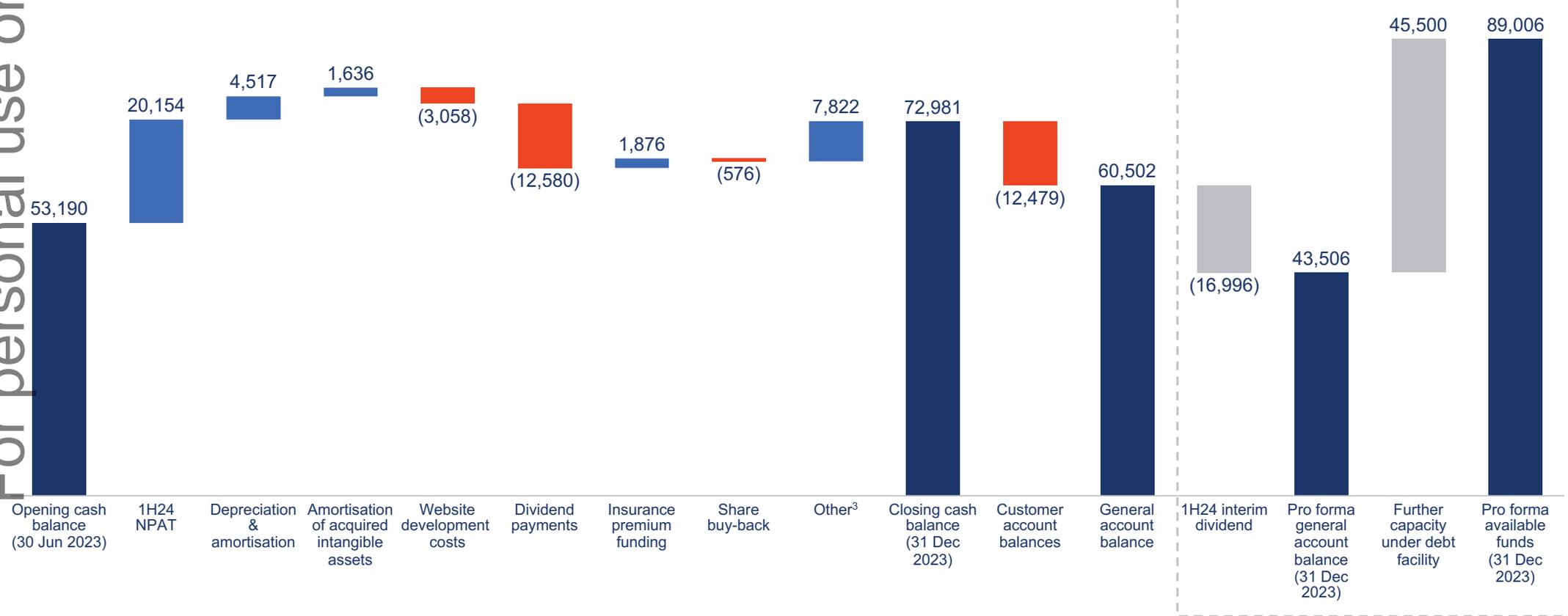
3. On-market share buy-back of up to \$25m conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased has and continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the share buy-back program at any time. As at 31 December 2023, \$3.2m shares have been purchased at an average price of \$12.74.

Balance sheet strength underpinned by **cash generation**

- Free cash flow¹ of \$31.7m (1H23: \$25.7m)
- Cash conversion ratio² of 157.3% (1H23: 149.3%)

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Cash flow reconciliation (\$'000)



1. Operating cashflow less capex.
 2. Free cash flow / NPAT.
 3. Primarily reflects working capital movements and the timing of large jackpots (as payments to The Lottery Corporation are a week in arrears).

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Conclusion & FY24 Outlook



Mike Veverka
CEO and Founder

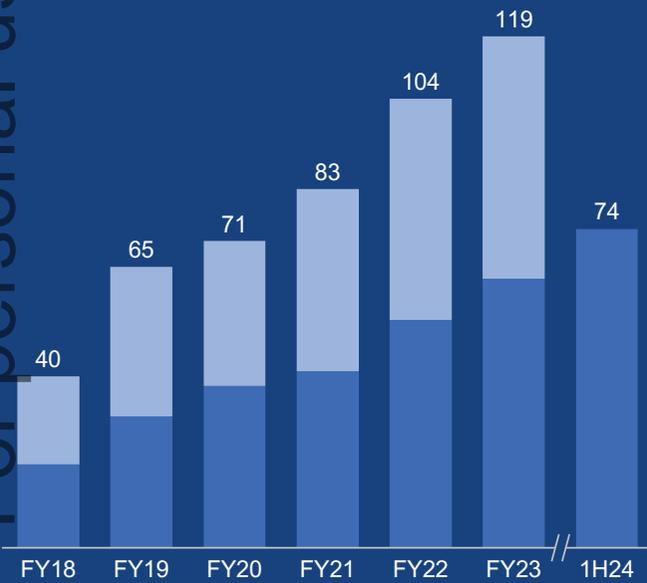


Successfully growing earnings and cash generation

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Revenue (\$m)

▲ +24% FY18 – FY23 CAGR



EBITDA (\$m)

▲ +25% FY18 – FY23 CAGR



Operating cash flow (\$m)

▲ +26% FY18 – FY23 CAGR



■ 2H ■ 1H ● Dividend declared (cps)¹

1. FY18 and FY19 include special dividends.
 2. Reflects timing impact where trade and other payables were \$22m (FY18:\$14m), as payments to The Lottery Corporation are a week in arrears.

Lottery Retailing – Key stats from \$200m Powerball

Great result with room for improvement



Tickets sold

804,965

706,650



New signups

82k

62k



Ticket sales

+14%

vs \$160m in Oct 2023



Tickets sold per minute (peak)

1,509 per minute

1,283 per minute



Signups within 24 hours

57k

47k



Uptime over the draw event

100%*

100%



Support interactions on draw day

>1,850

>2,450



Tickets sold per second (peak)

>45 per second

>69 per second



Satisfaction

84%

89%



Checkouts per second (peak)

>40 per second

>58 per second

* The platform experienced some degradation prior to draw close due to the unprecedented amount of traffic.

● \$200m draw (February 2023)

● \$160m draw (October 2022)

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1H24 report card and FY24 Outlook

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	FY24 Outlook	Status (1H24)	Commentary
Lottery Retailing*	<ul style="list-style-type: none"> Marketing costs expected to be in the range of 1.5% to 2.0% of TTV (FY23: 1.3%), dependent on jackpots Final step up in TLC service fee¹ to 4.65% of subscription price of tickets (FY23: 3.5%) Improved revenue margin² following portfolio pricing changes announced in May 2023 (FY23: 20.3%) 	<ul style="list-style-type: none"> 1.4% ✓ ✓ 22.7% 	<ul style="list-style-type: none"> Marketing spend influenced by jackpots Revenue margin impacted by game mix
Acquisitions (Gatherwell + Stride + StarVale ³)	<ul style="list-style-type: none"> Mid-to-high single digit revenue growth Modest investment to optimise governance, seed Jumbo culture and drive future growth 	<ul style="list-style-type: none"> ✓ 6.3%⁴ ✓ 	<ul style="list-style-type: none"> Like-for-like underlying revenue growth in local currency Continued investment
Group (excluding impact of incentives ⁵)	<ul style="list-style-type: none"> Underlying operating cost growth to grow at a slower pace than revenue on a like-for-like basis⁴ Underlying EBITDA margin expected to be in a range of 48% to 50%¹ (FY23: 50.1%) 	<ul style="list-style-type: none"> ✓ 5.3% ✓ 49.6% 	<ul style="list-style-type: none"> Underlying opex growth +5.3% vs revenue growth +11.6% (excluding StarVale³ and incentives)
Capital	<ul style="list-style-type: none"> Strong free cash flow generation with ~100% cash conversion expected Targeted dividend payout ratio of 65% to 85% of statutory NPAT Strong M&A pipeline supported by balance sheet strength and debt headroom On-market share buy-back⁵ of up to \$25 million expected to continue into FY24; provides capital flexibility 	<ul style="list-style-type: none"> ✓ 157% ✓ 84.3% ✓ ✓ \$3.2m⁵ 	<ul style="list-style-type: none"> Cash balance of \$60.5m; \$45.5m of undrawn debt facilities Disciplined approach to execution of buy-back

* Jackpots remain a significant driver of Lottery Retailing ticket sales (and revenue) and in any given year there is uncertainty as to the exact number and aggregate value of large jackpots.

- Pursuant to the Reseller Agreements with TLC dated 25 August 2020, a 'stepped-up' service fee is payable in the subscription cost of the tickets purchased at 1.5% FY21, 2.5% FY22, 3.5% FY23, and 4.65% FY24 and thereafter. If the subscriptions exceed \$400,000,000 in any applicable financial year, then a service of 4.65% applies to the excess amount.
- Pro-forma FY23 Lottery Retailing revenue margin following pricing changes estimated to be ~22.8% (based on FY23 jackpot profile and portfolio mix).
- StarVale completed on 1 November 2022 (1H23 contribution of 2 months and 1H24 contribution of 6 months).
- Weighted average revenue growth of Gatherwell, Stride and StarVale in local currency. The pcp for StarVale includes the full 6-month period even though the acquisition only completed on 1 November 2022.
- Excludes the impact of short-term incentives and Share-based Payments (SBP). FY23 benefitted from significantly lower short-term incentive payments due to underlying NPAT growth being below the required hurdle rate.
- On-market share buy-back of up to \$25m conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased has and continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the share buy-back program at any time. As at 31 December 2023, \$3.2m shares have been purchased at an average price of \$12.74.

Jumbo's growth and evolution of mix

Business mix

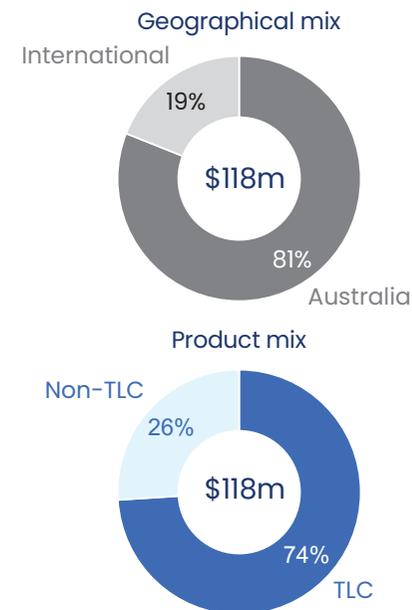
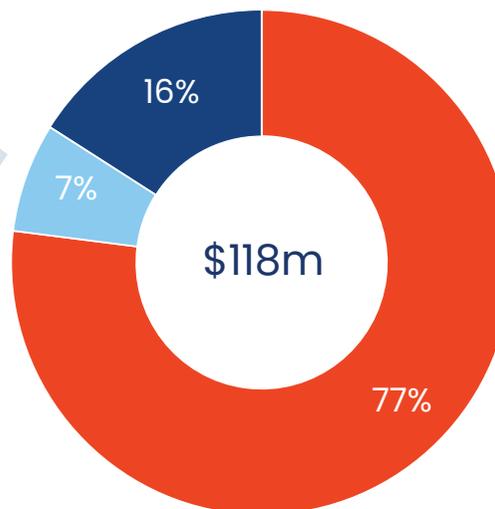
Revenue, %



- Lottery Retailing
- SaaS¹
- Managed Services



FY2023



- **Australian centric**
- **Focus on Government lotteries**
- **100% dependent on TLC² (Reseller Agreements)**

- **Australia and International focus**
- **Focus on Government + Charity lotteries**
- **Emerging SaaS and Managed Services segments**

1. External revenue (excluding intersegment fee from Lottery Retailing).
 2. The Lottery Corporation.

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Creating winning moments exclusively for Oz Lotteries Players multiple times a day

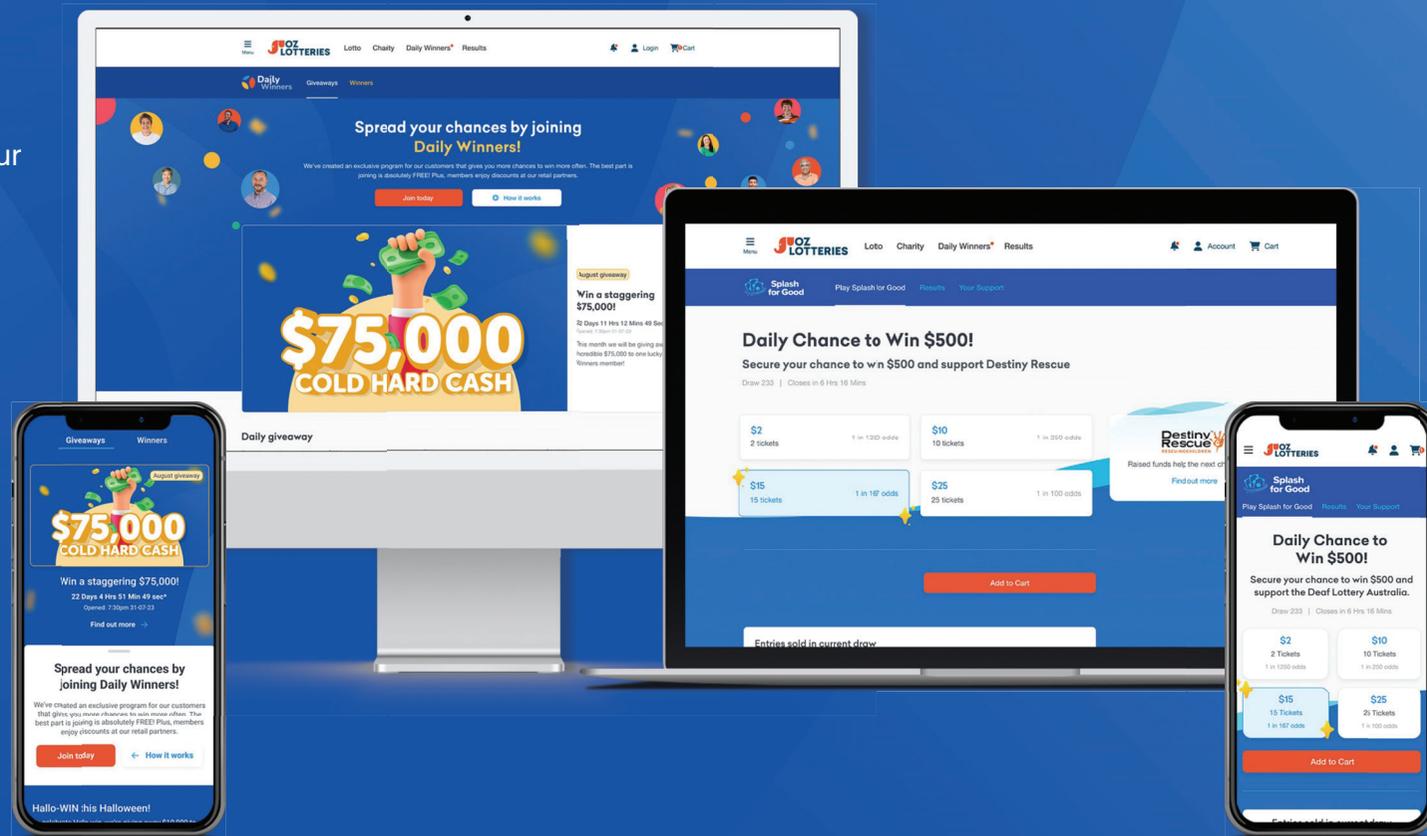
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- Grown to more than 100k members since our launch in September 2023
- \$425k in prizes in 1H24
- Free to join, exclusive to Oz Lotteries
 - \$500 prize daily
 - \$2,500 prize on Fridays
 - \$75k - \$100k major draws
 - Special event draws

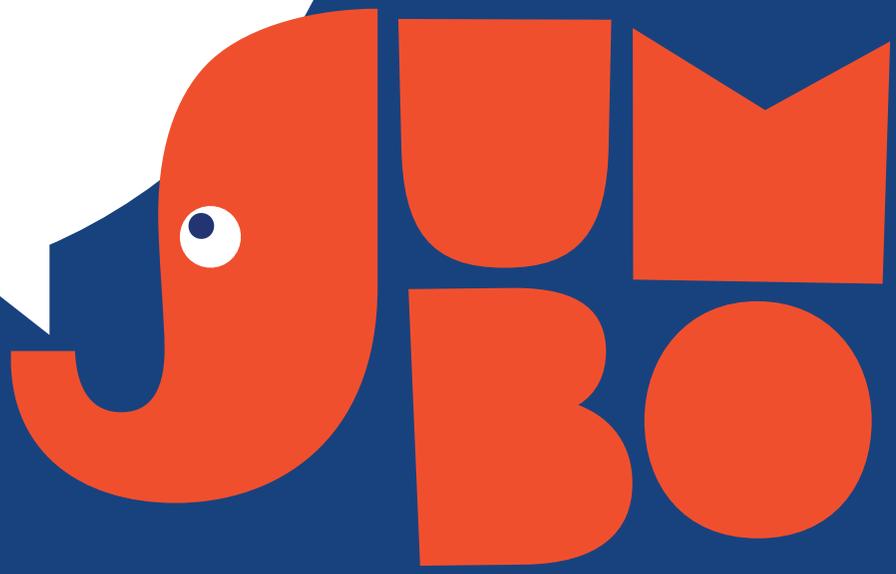


- First of its kind, automated rolling draws
- Launched in October 2023
- Raised ~\$250k for Pilot Charity Partner
- Low cost for players
- Capped entries per player



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Questions



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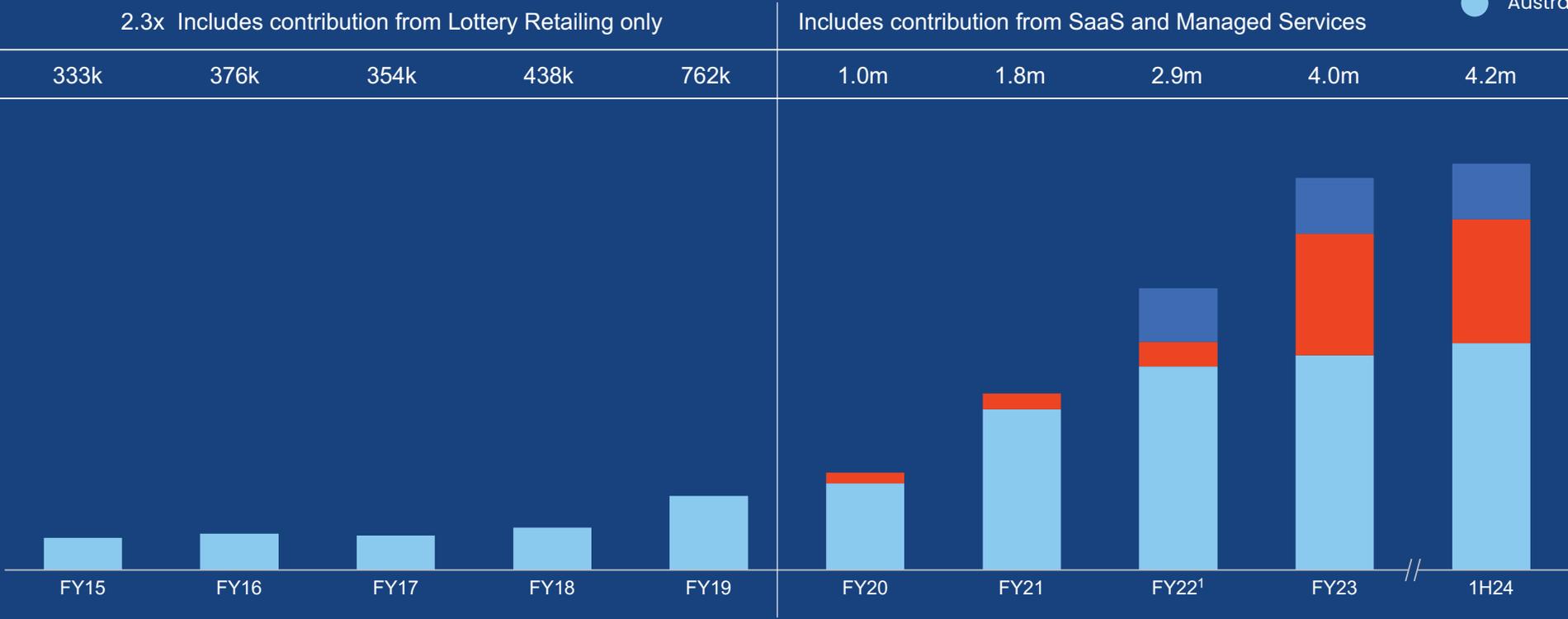
Supplementary Information

Active players provide the foundation for future growth

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Active players who made a purchase in the 12-month period (FY15 – 1H24)

- Canada
- United Kingdom
- Australia

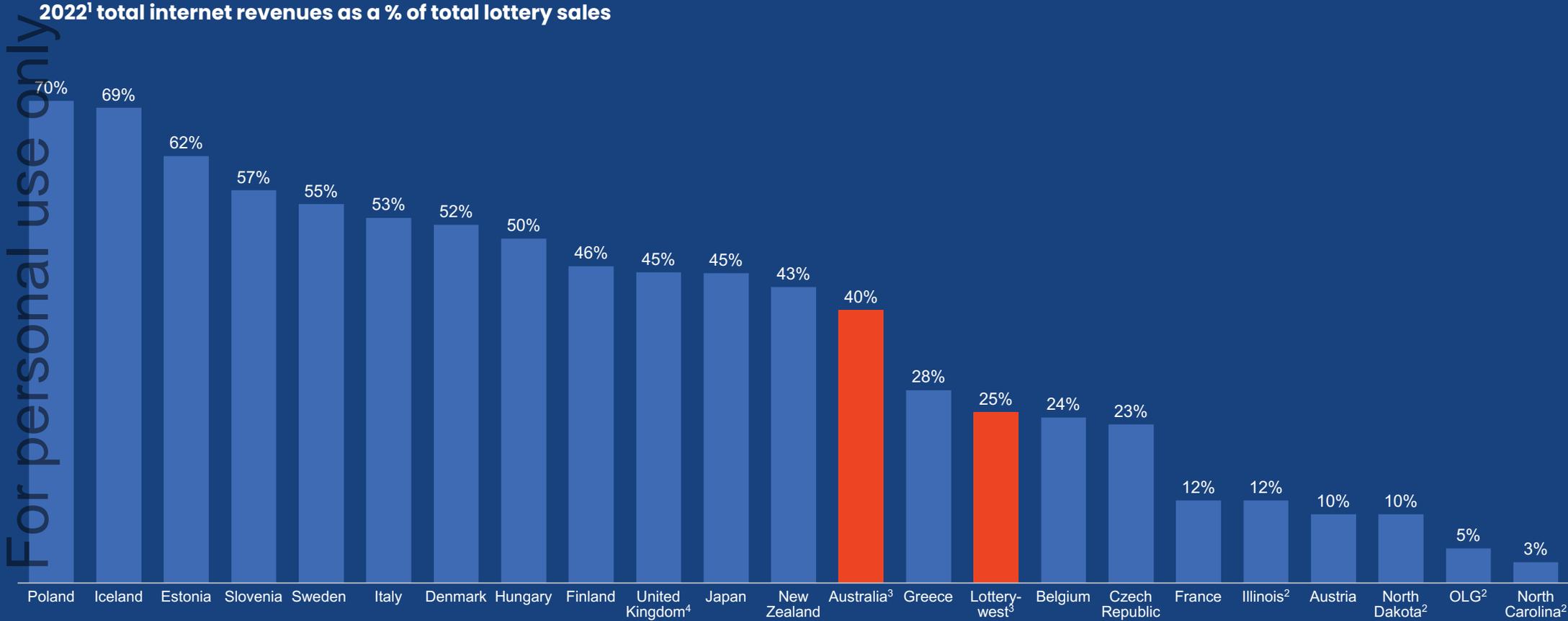


Lotteries have proven to be highly resilient to recessions



Source: Australian Gambling Statistics, Tabcorp, TLC, Lotterywest financial reports.

Significant growth potential from increasing online penetration



1. Based on calendar year 2022 performance.

2. Solely sells draw games via the internet.

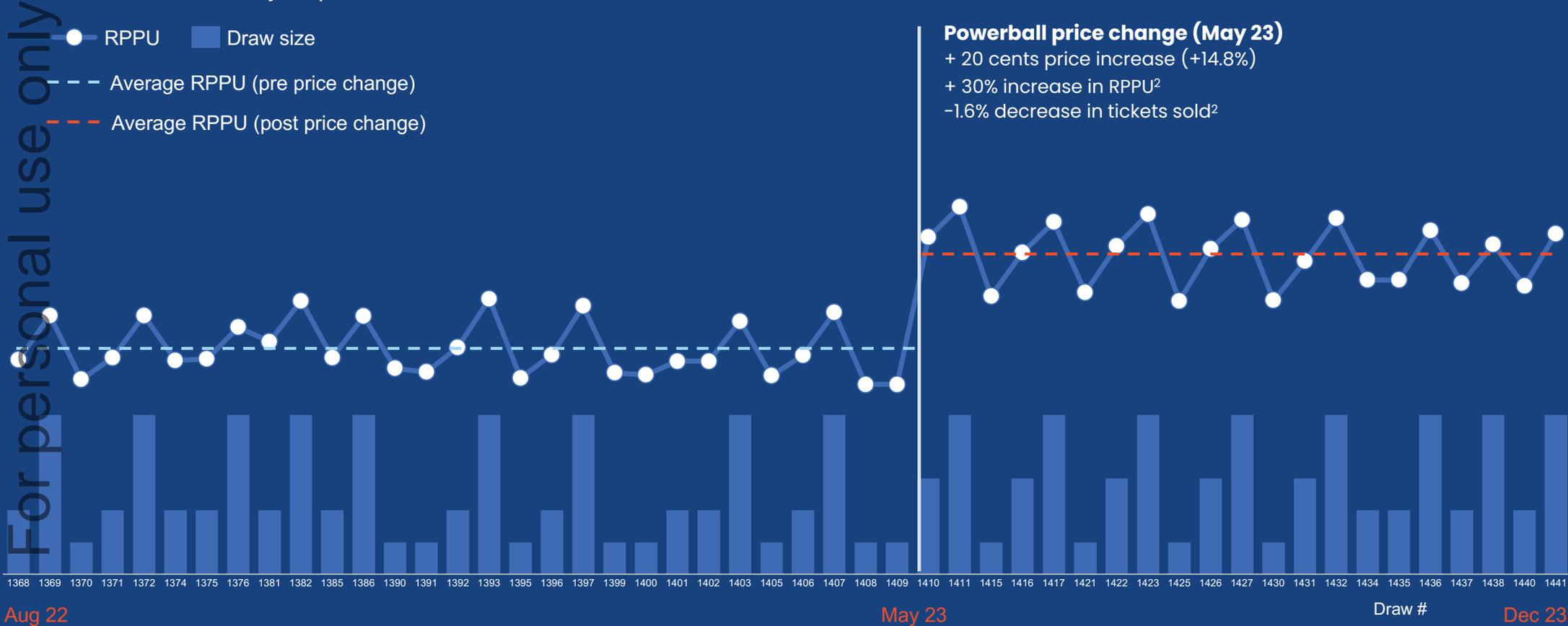
3. Australia online penetration based on The Lottery Corporation's 1H24 Results Presentation; Lotterywest (WA) online penetration based on FY23 figures from Lotterywest's 2023 Annual Report.

4. For the 12 months 1 April 2022 to 31 March 2023.

Source: La Fleur's 2023 Internet Report; Company annual reports/websites.

Powerball price change (in line with expectations)

Powerball RPPU¹ for jackpots ≤ \$20m (\$)



1. Revenue per paying user.
 2. Percentage change in average RPPU/tickets sold for \$20m Powerball draws (post price change) vs average of equivalent RPPU/tickets sold for ~10 months prior to price change (August 2022 to May 2023).

Harnessing Artificial Intelligence

As a software company, Jumbo has always been an early adopter of new technology and has been conducting experiments with AI for several years

Already in use



Marketing

Deploying Machine Learning (ML) to analyse player behaviour, develop predictive models and product recommendations

Incorporating ML into marketing and data-handling procedures and to improve campaign efficiency

Exploring generative AI for copywriting and image generation



Development

Employing GitHub Copilot (AI-powered software development assistant) to support programmers with auto-complete suggestions during coding sessions

Ai

In development



Customer Support

Leveraging AI-driven chatbots for 24/7 customer support, simultaneously managing large quantities of customer queries, reducing wait times and allowing customer support team to focus on complex queries



Operations

Monitoring transactions in real time, contrasting them with past data and rules to identify potential fraud and suspicious activity

Integrating behavioural analysis to identify unauthorised access and proactively promoting Responsible Play

Governance

Guardrails for the responsible use of AI to ensure the use of these technologies and capabilities is within tolerance of Jumbo's integrity and governance framework and our players' wellbeing continues to be a key consideration

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Our blueprint for acquisitions

Our M&A strategy seeks to enhance the existing portfolio by acquiring new businesses that enable access to new markets, complementary capabilities and propositions, and to build operating scale.

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Strategic rationale

- 1 Access to new regions, sectors and verticals
- 2 Develop complementary capabilities and revenue generating propositions
- 3 Consolidate position in market and build for operating scale

Business criteria



Established business with proven track record of performance



Significant growth runway by leveraging Jumbo core IP (technology and lottery expertise)



High calibre team and expertise (typically founder-led)



Strong compliance, risk management and governance (including player welfare)

Financial criteria



Operating at scale, generates EBITDA ≥A\$3m per annum



Typically 5 – 7x EBITDA multiple¹



EPS accretion (typically in first year)



Attractive financial profile (EBITDA margin, ROIC²)

1. EBITDA multiple higher than 5 – 7x EBITDA may be considered should the acquisition deliver key strategic or transformational capabilities.
2. Return on invested capital.

Group 1H24 consolidated results

	1H24 \$'000	1H23 \$'000	Variance %	FY23 \$'000	FY22 \$'000
TTV	484,482	417,045	16.2%	851,933	659,924
Revenue	73,884	62,389	18.4%	118,712	104,251
Cost of sales	(12,682)	(9,853)	28.7%	(17,953)	(14,473)
Gross profit	61,202	52,536	16.5%	100,759	89,778
Other revenue	205	173	18.5%	323	995
Expenses (excl. share-based payments)	(25,690)	(21,670)	18.6%	(41,800)	(35,389)
EBITDA (excl. share-based payments)	35,717	31,039	15.1%	59,282	55,384
Share-based payments	(496)	(874)	-43.2%	(1,136)	(1,339)
EBITDA	35,221	30,165	16.8%	58,146	54,045
Depreciation and amortisation	(4,517)	(4,317)	4.6%	(8,612)	(8,366)
EBITA	30,704	25,848	18.8%	49,534	45,679
Amortisation of acquired intangible assets	(1,636)	(944)	73.3%	(2,683)	(376)
EBIT	29,068	24,904	16.7%	46,851	45,303
Net interest revenue	205	23	>100%	(212)	(66)
NPBT	29,273	24,927	17.4%	46,639	45,237
Income tax expense ²	(9,119)	(7,741)	17.8%	(15,070)	(14,061)
NPAT	20,154	17,186	17.3%	31,569	31,176
Amortisation of acquired intangible assets after tax	915	746	22.7%	2,174	305
NPATA¹	21,069	17,932	17.5%	33,743	31,481

1. Net profit after tax and before amortisation of acquired intangible assets.

2. FY23 includes one-off retrospective tax charge of \$0.86 million in FY23 due to a change in the accounting and tax treatment of the capitalised \$15 million extension fee paid under the Reseller Agreements with The Lottery Corporation in August 2020. 1H24 includes a retrospective charge of \$0.5 million relating to StarVale.

Reconciliation to 1H24 reported earnings

		1H24 \$'000	1H23 \$'000	Variance %
Reported	EBITDA	35,221	30,165	16.8%
	EBIT	29,068	24,904	16.7%
	NPAT	20,154	17,186	17.3%
	NPATA ¹	21,069	17,932	17.5%
	EPS (cps)	32.0	27.3	17.2%
	EPSA ¹ (cps)	33.5	28.5	17.5%
Add/(deduct) significant items²	- Investment disposal costs		32	
	- Acquisition costs	410 ³	154	
	- Retention payments	109 ³		
	- Other	(592) ³	89	
	- Tax benefit	(188)	(35)	
Underlying	EBITDA - underlying	35,148	30,440	15.5%
	EBIT - underlying	28,995	25,179	15.2%
	NPAT - underlying	19,893	17,426	14.2%
	NPATA ¹ - underlying	20,808	18,172	14.5%
	EPS - underlying	31.6	27.7	14.1%
	EPSA ¹ - underlying (cps)	33.1	28.9	14.5%

1. Net profit after tax / Earnings Per Share before amortisation of acquired intangible assets.

2. Statutory earnings are adjusted by significant non-recurring items to get to underlying earnings.

3. The acquisition costs reflect one-off consulting & legal expenses. Retention payments were for key Stride management following finalisation of the earnout following the period ended 30 June 2023. Other includes a fair value gain of \$725k on financial liabilities primarily relating to the finalisation of the Stride earnout, which was below the required earnings hurdle, and one-off costs of \$133k associated with an uplift in the internal control environment in Group Finance.

1H24 Group result overview – like for like performance

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	Group Reported 1H23 ⁴ \$'000	2-months StarVale ² 1H23 \$'000	Group (excl. StarVale) 1H23 ⁴ \$'000	Group Reported 1H24 \$'000	StarVale ² 1H24 \$'000	Group (excl. StarVale) 1H24 \$'000	Reported Variance %	Variance (excluding StarVale) %
TTV	417,045	22,057	394,988	484,482	67,628	416,857	16.2%	5.5%
Revenue	62,389	1,969	60,420	73,884	6,427	67,457	18.4%	11.6%
Revenue margin	15.0%	8.9%	15.3%	15.3%	9.5%	16.2%	0.3%	0.9%
Underlying operating costs ¹	(22,269)	(1,253)	(21,016)	(26,259)	(4,316)	(21,943)	17.9%	4.4%
Underlying EBITDA ¹	30,440	716	29,724	35,148	2,111	33,037	15.5%	11.1%
Underlying EBITDA margin ¹	48.8%	36.4%	49.2%	47.6%	32.8%	49.0%	-1.2%	-0.2%

1. Underlying operating costs and EBITDA adjusted for one-off costs – see previous slide for details.
2. StarVale completed on 1 November 2022 (1H23 contribution of 2 months and 1H24 contribution of 6 months).

1H24 result – segmental information

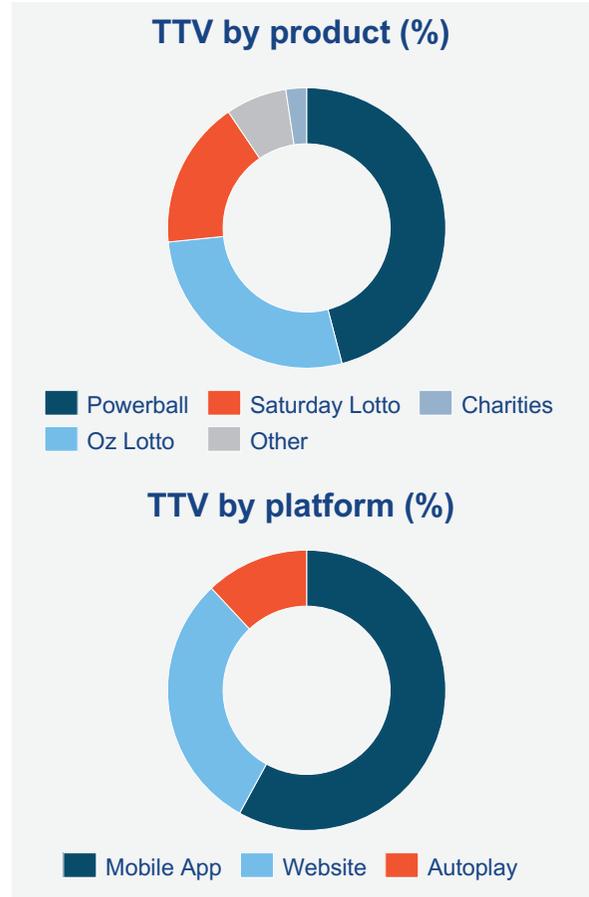
	Lottery Retailing \$'000	SaaS \$'000	Managed Services \$'000	Intersegment eliminations \$'000	Total \$'000
TTV	245,752	112,730	126,000	-	484,482
- Group	245,752	-	-	-	245,752
- Third-party	-	112,730	126,000	-	238,730
Total segment sales revenue from external customers	55,868	4,962	13,054	-	73,884
Intersegment sales revenue	-	18,370	-	(18,370)	-
Total segment sales revenue	55,868	23,332	13,054	(18,370)	73,884
Cost of sales	(29,163)	(153)	(1,736)	18,370	(12,682)
Gross profit	26,705	23,179	11,318	-	61,202
Employee benefits expense	(1,702)	(5,893)	(4,238)	-	(11,833)
Marketing expenses	(3,356)	(257)	(134)	-	(3,747)
Technology expenses	(109)	(1,362)	(483)	-	(1,954)
Other expenses ¹	(1,048)	(1,558)	(3,307)	-	(5,913)
Operating expenses	(6,215)	(9,070)	(8,162)	-	(23,447)
Total segment EBITDA	20,490	14,109	3,156	-	37,755
Other items (Corporate) ²					(2,739)
Other revenue					205
Consolidated EBITDA					35,221

1. Includes finance, consulting and legal, office and other costs.

2. Includes sovereign costs e.g. Directors' fees, CEO/CFO employee costs, share-based payments, insurance etc.

1H24 Lottery Retailing

	1H24	1H23	Variance %
TTV (\$'000)	245,752	253,259	-3.2%
Revenue (\$'000)	55,868	50,103	10.8%
Revenue margin (%)	22.7%	19.8%	2.9%
Cost of sales ¹ (\$'000)	(29,163)	(28,127)	3.7%
Operating expenses (\$'000)	(6,215)	(6,655)	-17.9%
- Marketing	(3,356)	(3,894)	-25.7%
- Other	(2,859)	(2,761)	0.0%
EBITDA (\$'000)	20,490	15,321	36.4%
Number of jackpots ≥ \$15m	28	23	21.7%
Average Division 1 jackpots of ≥ \$15m (\$m)	35.7	41.7	-14.4%
Peak Division 1 jackpot during the half year period (\$m)	100	160	n/a
Aggregate Division 1 jackpots on offer during the half year period (\$m)	1,000	960	4.2%
Number of new online accounts for the half-year period	167,657	198,751	-15.6%
Cost per lead (\$)	16.77	17.85	-6.1%
Number of active players for the previous 12-month period	887,182	983,831	-9.8%
Average spend per active online player (\$)	480.63	463.20	3.8%
Marketing costs as a % of TTV	1.4%	1.5%	-0.3%



1. Pursuant to the Reseller Agreements with TLC dated 25 August 2020, a 'stepped-up' service fee is payable in the subscription cost of the tickets purchased at 1.5% FY21, 2.5% FY22, 3.5% FY23, and 4.65% FY24 and thereafter. If the subscriptions exceed \$400,000,000 in any applicable financial year, then a service of 4.65% applies to the excess amount.

1H24 Managed Services¹ (local currency basis)

Local currency	Gatherwell (GBP)			StarVale ² (GBP)			Stride (CAD)		
	1H24 £'000	1H23 £'000	Variance %	1H24 £'000	1H23 £'000	Variance %	1H24 \$'000	1H23 \$'000	Variance %
TTV	6,420	6,046	6.2%	35,200	12,573		40,130	30,696	30.7%
Revenue	1,186	A 1,232	-3.7%	3,345	1,122		3,748	3,548	5.6%
Cost of sales	(119)	(128)	-7.0%	-	-		B (1,310)	(250)	>100%
Gross profit	1,067	1,104	-3.4%	3,345	1,122		2,438	3,298	-26.1%
Operating expenses	(766)	(838)	-8.6%	(2,246)	(714)		C (2,000)	(1,872)	6.8%
EBITDA	301	266	13.2%	1,099	408		438	1,446³	-69.7%
Add/(deduct) significant items:									
- Retention payments							98		
Underlying EBITDA	301	266	13.2%	1,099	408		536	1,446³	-62.9%
Revenue margin %	18.5%	20.4%	-1.9%	9.5%	8.9%	0.6%	9.3%	11.6%	-2.2%
Underlying EBITDA margin %	25.4%	21.6%	3.8%	32.9%	36.4%	-3.5%	14.3%	40.8%	-26.5%

- A** Includes £110k prize reserve fund benefit removed at FY23 (£220k impact for FY23). Adjusting for this would result in 1H24 revenue growth of 5.7% vs the pcp and a broadly flat revenue margin.
- B** Includes a C\$550k media expense relating to FY23 campaigns which should have been expensed in the prior year.
- B** Includes C\$120k of increased software development costs and C\$130k of higher audit and compliance costs.

1. Excludes Jumbo Fundraising (Australia).
 2. StarVale completed on 1 November 2022 (1H23 contribution of 2 months and 1H24 contribution of 6 months).
 3. Includes C\$20k of other income.

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Financial framework and P&L drivers

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	Lottery Retailing	Software-as-a-Service	Managed Services	Corporate
A Revenue	% of TTV	<ul style="list-style-type: none"> % of third party TTV Intersegment fee: % of relevant Lottery Retailing TTV² 	% of TTV / Fee for service ⁴	
B COS	<ul style="list-style-type: none"> TLC service fee - % of subscription ticket costs¹ Intersegment fee - % license fee of relevant Lottery Retailing TTV² Merchant fees - % of TTV Other includes scratch ticket production costs for Fiji 	Merchant fees - % of TTV ³	Merchant fees - % of TTV	
C Opex	<ul style="list-style-type: none"> Marketing costs Employee costs Other expenses include general & administrative costs 	<ul style="list-style-type: none"> Technology costs Employee costs Other expenses include general & administrative costs 	<ul style="list-style-type: none"> Employee costs Other expenses include general & administrative costs 	<ul style="list-style-type: none"> Sovereign costs e.g. Directors' fees, CEO/CFO costs, share-based payments, consulting & legal costs, insurance etc
EBITDA	A - B - C			
Underlying EBITDA	EBITDA excluding significant one-off items (non-operating/non-recurring expenses)			

- Pursuant to the Reseller Agreements with TLC dated 25 August 2020, a 'stepped-up' service fee is payable in the subscription cost of the tickets purchased at 1.5% FY21, 2.5% FY22, 3.5% FY23, and 4.65% FY24 and thereafter. If the subscriptions exceed \$400,000,000 in any applicable financial year, then a service of 4.65% applies to the excess amount.
- Lottery Retailing pays a licence fee (equivalent to 7.5% of relevant Lottery Retailing TTV) to SaaS, recognised in Lottery Retailing cost of sales and SaaS' internal revenue. This is netted off through an intersegment elimination on consolidation.
- Merchant fees incurred for Lotterywest only, equivalent to ~0.95% of Lotterywest TTV.
- Managed Services principally comprises Gatherwell (UK), StarVale (UK) and Stride (Canada). Revenue generated from these businesses reflects a combination of the contractual arrangements in place for services provided and a % of TTV revenue model.